

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Petition of Western Massachusetts Electric)
Company for approval of reclassification)
of its transmission and distribution)
facilities)
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DTE 03-71

COMMENTS OF THE
WESTERN MASSACHUSETTS INDUSTRIAL CUSTOMERS GROUP

The Western Massachusetts Industrial Customers Group¹ ("WMICG") is pleased to have this opportunity to file comments in response to the proposed reallocation of transmission and distribution assets by Western Massachusetts Electric Company ("WMECo").

On May 16, 2003 WMECo filed a two page letter and two descriptive attachments requesting approval by the Department of Telecommunications and Energy ("DTE") for the proposed reclassification of WMECo's transmission and distribution facilities which had been previously approved by the DTE in its April 13, 1998 Order in D.P.U./D.T.E. 97-93.

The filing indicates that a FERC transmission case is anticipated in the near future. From the filing it is not clear what the financial or regulatory impact on customers will be from the proposed reclassification. Before any reclassification is approved by the DTE, WMECo should provide additional information as to the current and future rate impact of the reclassification of plant requested.

WMECo currently has a reconciling Transmission Adjustment Clause which allows it to pass on to retail customers all applicable transmission charges. The impact of an increase or

¹ WMICG includes General Electric Company, MeadWestvaco Corporation and Solutia, Inc.

decrease in facilities classified as transmission rate base and related operation and maintenance costs are not clearly set forth in the filing.

Cost recovery for distribution facilities are provided for in the retail distribution rates, under the DTE jurisdiction and are subject to a rate cap under the Massachusetts Electric Restructuring Act. Without any indication of the exact increase or decrease in distribution facilities rate base and related O & M expenses, the impact of the reclassification is not clearly set forth in the filing.

The DTE should review the rate impacts of the total rates payable by retail customers as a result of the proposed reclassification of transmission and distribution facilities and make sure that total rates will not be increased.

The reclassification may change the jurisdiction boundary between FERC and the DTE. This may also impact on customers seeking to interconnect small distribution facilities under twenty (20) megawatts with WMECo facilities. Currently, both FERC and the DTE are considering interconnection standards for such facilities.² Any proposed reclassification of facilities should clarify the already complex jurisdictional issue. The Company should clearly articulate any impact of the reclassification on the jurisdiction of customer interconnections.

To help clarify these and other issues WMICG attaches a set of information requests in connection with this proceeding. After receipt of responses to these and any other information requests the DTE should allow an additional period for comments.

² FERC in Docket Nos. RM02-1-000 and RM02-12-000, and the DTE in Docket 02-38.